

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

RME Illinois, L.L.C.)	
Petition for Issuance of Certificate of Public)	Docket No. 07-0331
Convenience and Necessity to Provide Onsite)	
Wastewater, Collection and Dispersal Services)	
To a Parcel in Lake Villa, Lake County, Illinois)	
Pursuant to Section 8-406 of the Illinois Public)	
Utilities Act.)	(Cons.)
RME Illinois, L.L.C.)	
Petition for Issuance of Certificate of Public)	Docket No. 07-0332
Convenience and Necessity to Provide Onsite)	
Wastewater, Collection and Dispersal Services)	
To a Parcel in Long Grove, Lake County, Illinois)	
Pursuant to Section 8-406 of the Illinois Public)	
Utilities Act.)	

**VERIFIED REBUTTAL TESTIMONY OF ARTHUR R. OLSON TO ILLINOIS
COMMERCE COMMISSION STAFF DIRECT TESTIMONY TO
CERTIFICATE OF CONVENIENCE AND NECESSITY**

Q. Please state your name, business address, telephone, and e-mail address for the record.

A. My name is Arthur R. Olson. My business address is RME Illinois LLC, 965 Westshore Drive, Fox Lake, Illinois, 60020. My telephone number is 847-651-1150, and my e-mail address is arthurolson@gmail.com.

Q. Are you the same Arthur R. Olson who previously filed Direct Testimony in this matter?

A. Yes.

Q. What is the purpose of your prepared rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the prepared direct testimony of Staff witnesses of the Illinois Commerce Commission.

Q. What is your response to Staff witness William D. Marr?

A. With regard to the testimony by Staff witness William D. Marr, RME Illinois, LLC, agrees with all Mr. Marr's recommendations and conclusions including but not limited to that the Company has a need for Certificates to provide sewer service to the Falcon Crest Subdivision in the Village of Lake Villa and Eastgate Estates in the Village of Long Grove in Lake County, Illinois, and that the Company has met the requirements set forth in Sections 8-406(b)(1) and (2) of the act. RME Illinois, LLC further agrees with Mr. Marr's recommendation that the Company file the Rules, Regulations, and Conditions of Service tariffs for sewer service, within 10 days of the final Order, with an effective date of not less than five working days after the date of filing, for service rendered on and after their effective date, with individual tariff sheets to be corrected within that time period, if necessary. RME Illinois further agrees with Mr. Marr's recommendation that the company invest \$465,388 in the wastewater system for the Falcon Crest Subdivision and \$172,508 in the wastewater system for Eastgate Estates.

Q. What is your response to staff witness Theresa Ebrey?

A. With regard to the testimony of Staff witness Theresa Ebrey, RME Illinois, LLC agrees with all Ms. Ebrey's recommendations including but not limited to that the commission: 1) Approve the Revenue Requirements proposed by Staff as reflected on Schedules 3.01 – 3.13 (FC) and Schedules 3.01 – 3.13 (EE); 2) Approve the proposed accounting journal entries to record the projected original cost of the Falcon Crest and Eastgate Estates systems as set forth in Schedules 3.14 (FC) and 3.14 (EE); 3) Order RME to file with the Chief Clerk of the Commission, with a copy to the Manager of Accounting, copies of actual accounting journal entries used to record the wastewater systems within six months of closing of transactions and if the transactions have not occurred within six months of the order date in this proceeding, then RME should file a report regarding the status of the transaction within (6) months from the date of the order in this proceeding and every six (6) months thereafter until the actual journal entries have been filed with the Commission; (4) Require RME to provide actual financial information to the Chief Clerk of the Commission, with a copy to the

Manager of Accounting concerning the Falcon Crest and Eastgate Estate systems by March 31st and September 30th of each year until rates are set in a future rate case; and (5) Recommend that RME retain the services of a certified public accountant familiar with the public utility regulation in Illinois to set up the books for RME Illinois and advise the Company on matters of reporting to the Commission.

Q. What is your response to staff witness Rochelle Phipps?

A. With regard to the testimony of Staff witness Rochelle Phipps, RME Illinois, LLC agrees with all Ms. Phipps's comments and recommends including but not limited to the recommended rate of return on rate base for the Company of 9.70% and that the Company provide a source of external funds that it may access in the form of a bond or a letter of credit which equals approximately one year of operating expenses (excluding depreciation and amortization) for the wastewater system that would serve the Lake County areas.

Q. What is your response to staff witness Mike Luth?

A. With regard to the testimony of Staff witness Mike Luth I concur that given Staff's revenue requirement and investment recommendations Falcon Crest customers should pay \$166.56 per month and Eastgate Customers should pay \$263.19 per month.

Q Does this conclude your Rebuttal Testimony?

A. Yes it does.

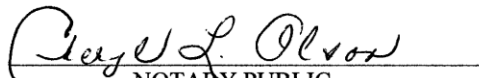
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STATE OF ILLINOIS)
COUNTY OF LAKE)

Arthur R. Olson, being first duly sworn on oath, disposes and states that he has read the rebuttal testimony and the answers made therein are true, correct and complete to the best of my knowledge and belief.


Signature

SUBSCRIBED AND SWORN to before me this 19th day of December, 2007.


NOTARY PUBLIC

My Commission expires 8/20/11

